

HARMO TIRE AND RUBBER CORP.

FEBRUARY 27, 1958.—Committed to the Committee of the Whole House and ordered to be printed

Mr. POFF, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H. R. 8015]

The Committee on the Judiciary, to whom was referred the bill (H. R. 8015), for the relief of the Harmo Tire & Rubber Corp., having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all of the language of the bill following the enacting clause, and insert:

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Harmo Tire and Rubber Corporation the sum of \$8,713.52, which sum, together with the \$1,125 heretofore paid to said corporation by the United States under the authority of section 501 (b) of Public Law 155, 82d Congress, first session (65 Stat. 364), represents the actual expenses incurred by the said corporation in removing its stock in trade from the land in the vicinity of Wilkins Air Force Station, Ohio, which was taken from it by the United States under the power of eminent domain. The payment of such sum shall be in full settlement of all claims of the said corporation against the United States on account of the condemnation of such land: *Provided*, That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

PURPOSE

The purpose of the proposed legislation, as amended, is to pay the Harmo Tire & Rubber Corp. the sum of \$8,713.52 as the balance due for the actual expenses incurred by the corporation in removing its stock of tires from the land acquired from it by the United States after the corporation had been paid an amount of \$1,125.

STATEMENT

The payment provided for in H. R. 8015 is the amount that the Department of the Air Force agrees remains due the Harmo Tire & Rubber Corp. for the cost of removing between 15,000 and 18,000 tires stored on a tract of land acquired by the Government. Legislative relief is necessary because the maximum allowed by law for the payment of such costs was limited to 25 percent of the appraised value of the property involved or \$1,125. The Department of the Air Force has indicated that it would interpose no objection to the bill provided that it is amended so that the \$1,125 already paid when combined with the payment provided for in the bill will aggregate the \$9,838.52 which was fixed as the amount of justifiable expense.

On July 8, 1954, the Harmo Tire & Rubber Corp. applied for reimbursement of the cost of removing the tires and claimed expenses in the amount of \$14,785.25. On review it was determined that an amount of \$9,838.52 could be justified in connection with removing the tires. As has been noted, only \$1,125 of that amount could be paid. H. R. 8015 as originally introduced provided for the payment of \$13,660.25. When the figure of \$1,125 is added to that figure the amount becomes \$14,785.25, the amount of the corporation's original claim. The committee has carefully reviewed the matter, and agrees that the \$9,838.52 stated in the Air Force report as the reviewed figure should be the total amount received by the company in settlement of its claim. It is obvious from the Air Force report that it intended to recommend that the bill be amended to provide for the payment of \$8,713.52 since the amount of \$1,125 had already been paid. The committee has concluded that the language of the bill following the direction to the Secretary of the Treasury to pay the amount stated merely is a recital of the facts upon which the figure is based, and those facts show that the amount authorized to be paid is a reduced figure since it is an unpaid balance. Accordingly the bill should provide for a payment of \$8,713.52 which with the amount of \$1,125 already received will equal \$9,838.52.

The committee also agrees that the location of the land should be more particularly identified in accordance with the language suggested by the Air Force. The committee therefore recommends that the bill be amended generally so as to reflect this location of the land, and also to provide specifically for a payment of \$8,713.52.

The committee recommends that the bill, amended in accordance with the recommendations of the committee, be favorably considered.

DEPARTMENT OF THE AIR FORCE,
Washington, October 16, 1957.

HON. EMANUEL CELLER,
Chairman, Committee on the Judiciary,
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request for the Department of the Army views with respect to H. R. 8015, 85th Congress, a bill for the relief of the Harmo Tire & Rubber Corp. Inasmuch as the proposed legislation involves real estate acquired for Department of the Air Force use, responsibility for submitting a report was transferred to this Department.

The purpose of this legislation is to authorize and direct the Secretary of the Treasury to pay \$13,660.25 to the Harmo Tire & Rubber Corp. for their expenses in connection with removal of its stock in trade from land taken by the United States in condemnation. The bill provides that an amount of \$1,125, already paid by the United States under section 501 (b), Public Law 155, 82d Congress, will be deducted from the \$13,660.25 authorized for payment under this legislation. The amount to be received by the Harmo Tire & Rubber Corp. will be in full settlement of all claims of this corporation against the United States because of the condemnation action referred to in the legislation.

By directive, dated December 21, 1951, the then Assistant Secretary of the Air Force approved the acquisition of 178.26 acres of land in the vicinity of Wilkins Air Force Station, Ohio, for new warehouse construction, railroad facilities, and open storage areas. This directive was subsequently amended on January 31, 1952, to reduce the area to 141.66 acres. Included in this acquisition was tract No. 12, containing 9.81 acres, belonging to the Harmo Tire & Rubber Corp. Since it was not possible to reach an agreement with the owners of this tract, the then Assistant Secretary of the Air Force on October 15, 1952, requested the Attorney General to institute a condemnation proceeding and obtain an order for immediate possession of the land. Based on an appraisal of this property, the Government deposited \$4,500 into the registry of the court.

As a result of a trial on the matter of compensation for this tract of land, a jury recommended an award of \$6,500. The Government then deposited into the registry of the court an amount of \$2,279 which represented the deficiency of \$2,000 plus interest at the rate of 6 percent per annum from November 13, 1952 (the date of taking), to and including March 9, 1955 (the date of payment by the Government).

At the time of acquisition of this land by the Government, the owners had between 15,000 to 18,000 tires stored on this tract. In December 1953, the Government furnished to the owners pursuant to section 501 (b), Public Law 155, 82d Congress, the required forms for use in making application for reimbursement of the cost of removing the tires. On July 8, 1954, the corporation made application for an amount of \$14,785.25. Upon review it was determined that an amount totaling \$9,838.52 could be justified, but that the maximum authorized under section 501 (b), Public Law 155, 82d Congress, was \$1,125 which is 25 percent of the appraised value of the property. Therefore, the corporation's request was reduced to that amount.

The Department of the Air Force interposes no objection to the proposed legislation subject to the following:

(a) The legislation should be amended to indicate the amount authorized for payment as \$9,838.52 in lieu of \$13,660.25. The amount of \$9,838.52 represents \$8,713.52 plus the \$1,125 already paid to the corporation.

(b) The legislation should be further amended to identify the property. It is suggested that line 10, page 1, be changed to read " * * * domain, in the vicinity of Wilkins Air Force Station, Ohio, less \$1,125 * * *".

While enactment of this measure will not involve the expenditure of any Department of Defense funds, there will be a cost to the Government of \$12,535.25, if the bill is passed in its present form, or \$8,713.52, if enacted in its amended form.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely yours,

DUDLEY C. SHARP,
Assistant Secretary of the Air Force.

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